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United Nations Development System reform

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Report by the Director General

The present document provides information on UNIDO's engagement with and positioning within the ongoing reform of the United Nations development system (UNDS). On 21 December 2016, the United Nations General Assembly adopted resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system (QCPR). Guided by the 2030 Agenda for Sustainable Development, the United Nations reform aims to deliver effective support to countries for sustainable, equitable and accountable development under national ownership and leadership. In June 2017, the United Nations Secretary-General launched his first report on repositioning the UNDS. The report contained a system-wide mapping of the UNDS' current functions and capacities. The second report of the Secretary-General was subsequently released in December 2017. This report elaborated on the proposals noted in his report of June 2017. On 31 May 2018, the General Assembly adopted the final draft text on the repositioning of the UNDS.

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I. Overview

1. Resolution 71/243 on the QCPR, adopted on 21 December 2016, initiated the ambitious plan for the reform of the United Nations to deliver effective support to countries for sustainable, equitable and accountable development under national ownership and leadership. It aimed at providing guidance for the UNDS, and is aligned to the 2030 Agenda for Sustainable Development adopted in 2017. In 2018, UNIDO aligned its medium-term programme framework (MTPF) to the QCPR in accordance with resolution 71/243 (GC.17/6).

2. Evidence from the analytical reports in support of the UNDS reform (a) identified significant gaps in the thematic coverage of SDGs, which were particularly evident in the "new" Goals relating to the economic and environmental dimensions of sustainable development. A report found that Goal 9 (industry, innovation and infrastructure), as well as the Goals relating to water, energy and the environment (SDGs 6, 7, 12, 13, 14, and 15) were underfunded and under-implemented; (b) revealed that the UNDS had yet to transition to the 2030 Agenda; and (c) highlighted the need to ensure that the three core elements of sustainable development, the economic, social and environmental dimensions, are balanced.

3. On 31 May 2018, the United Nations Member States adopted resolution 72/729 on the repositioning of the UNDS, comprising seven transformational areas of reform: (a) a system-wide strategic document as a strategic tool to guide and accelerate alignment with the 2030 Agenda, focused on concrete actions; (b) a new generation of United Nations country teams, demand-driven and tailored to meet the specific development priorities and needs of countries; (c) an impartial, independent and empowered resident coordinator (RC) system, establishing a development-focused country team with stronger capacity, accountability and impartiality; (d) a coordinated, reprofiled, and restructured regional approach for a better cohesion and coordination at the regional level; (e) the strengthening of horizontal governance and system-wide transparency and evaluation; (f) the strengthening of United Nations partnerships and South-South cooperation; and (g) a funding compact aimed at setting out mutual commitments to foster investments in the United Nations system towards a stronger funding mechanism for the 2030 Agenda.

4. As an active member of the UNDS, the reform process is of importance to UNIDO. Committed to change and align itself to the reform objectives, UNIDO supports the reform to implement its mandate more effectively and in closer cooperation with development partners, while ensuring the balanced implementation of the 2030 Agenda.

II. UNIDO's engagement in the UNDS reform

5. The Organization has participated in various working groups and discussions on the UNDS reform, including following the debates at the Economic and Social Council in New York. These discussions have extended to the Chief Executive Board for Coordination, and its related committees, including the High-Level Committee on Programmes, the High-Level Committee on Management and the United Nations Sustainable Development Group (UNSDG).[1]

6. Internal briefings with UNIDO staff were also held throughout 2017 and in 2018, to raise awareness of the UNDS reform and processes. A channel of communication on the UNDS reform has been established between Headquarters and field offices. Briefings on the UNDS reform were also held for UNIDO Member States and the Informal Working Group on Programme and Budget Committee-related issues.

[1] UNIDO senior staff members are engaged in all four UNSDG results groups on (i) SDG implementation; (ii) strategic financing; (iii) strategic partnerships, and (iv) business innovation.

7. Since the beginning of the transition to the reinvigorated system in June 2018, and following the appointment of Mr. Robert Piper as the Assistant Secretary-General and Head of the Transition Team, UNIDO responded by submitting a candidate for secondment to the Transition Team. This was done to support the work of the Transition Team, in particular the development of an implementation plan for the new RC system; the transition to the reinvigorated RC system, including its funding; the development of foundational studies to determine the regional architecture; and the funding dialogue with Member States.

8. In September 2018, the Organization welcomed Mr. Piper in Vienna, hosting and coordinating his consultations with UNIDO Member States and other Vienna-based Permanent Mission, as well as with the Vienna-based Organizations. UNIDO will continue to analyse the implications of the reform for the Organization and closely follow further developments of the reform. UNIDO intends to keep its Member States informed, particularly given the importance of this issue for the deliberations on the Programmes and Budgets 2020–2021.

III. Positioning UNIDO within the UNDS reform

9. UNIDO will strive to position itself in the UNDS reform by focusing on its substantive technical expertise as the United Nations' specialized agency on industrial development. While UNIDO's sphere of influence in the reform may be limited, it hopes to leverage its resources to be fit for purpose, inter alia, through:

(a) The integration of UNIDO's four core functions via the management objective of integration and scale-up that enables the Organization to take a more holistic approach in its support to Member States. With the implementation of the integrated results and performance framework, UNIDO is able to explain its contribution to ISID and the 2030 Agenda more effectively, strengthening its relevance as the United Nations' industrial development specialist;

(b) A continued approach of active engagement, identifying effective ways of working with other entities of the United Nations system and beyond, leveraging its flagship Programme for Country Partnership, and its technical cooperation portfolio of projects. UNIDO signed 28 new United Nations Development Assistance Frameworks (UNDAFs) in 2017, and is currently implementing 48 UNDAFs. In the same year, UNIDO cooperated on joint programmes with 18 United Nations agencies across 30 countries and it is currently planning to develop 35 joint programmes covering 25 countries;

(c) Maintaining its role in the RC system where UNIDO is represented in the Inter-Agency Appointment Panel. UNIDO also stands ready to strengthen its pool of candidates for RC positions, and to contribute to the RC offices, ensuring that specific technical know-how is directly accessible;

(d) UNIDO will maintain its active engagement with Member States on the RC system funding, and will look to their guidance regarding the requested doubling of agency contributions to the RC system.

IV. Action required of the Board

10. The Board may wish to take note of the information contained in the present document.